

Commissioner VMS: New Tax Bill

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Today, I want to let you know what the IRS will be doing to implement the tax bill recently passed by Congress.

You have probably heard by now that the bill provides for the Treasury to send checks to millions of taxpayers this summer and fall, providing them an advance payment of a 2001 tax credit. To minimize confusion and limit the number of taxpayer inquiries, the IRS will first send letters to taxpayers telling them when they will receive a check and how much the check will be. Getting these letters to every taxpayer by the middle of July and checks to more than a hundred million of them by mid-October as required by the law will be a major challenge for both us here at the IRS and the Treasury's Financial Management Service. We have been working with FMS and Treasury for some time in preparation for this effort.

The first task we face here at the IRS is to determine whether each taxpayer is entitled to a payment and if so, how much. The computer programming to do this is already underway. We will then print and mail the letters to every taxpayer, giving them the information about their check. The maximum amount of the payments will be \$300 for single filers, \$500 for head of household and \$600 for married filing jointly. However, these limits will be subject to other items on the return. FMS will start mailing the checks in mid-July, sending out 11 million a week through mid October, based on the taxpayer's Social Security Number.

Starting immediately, we are undertaking a comprehensive effort to inform the public about the payment process. Our aim is to give taxpayers all the information they want and need about the refund process, through the media, on the Digital Daily, and from our employees. We are preparing scripts for telephone assistants, information for SERP, and other communications aids for employees, so everyone in the IRS can answer taxpayer questions. Until we're able to get this guidance to you, please remember this key message: the taxpayer does not have to do anything to get his or her check. The IRS will calculate the amount and send it to the taxpayer. Let me repeat that: the individual taxpayer does not have to do anything to get his or her check. The IRS will calculate the correct amount and send it to the taxpayer.

The work won't end when the checks go out. Next tax season, we must also be ready with the necessary changes to our forms and publications to account for these payments. The work on this is also underway.

This process will generate work for many of us in the IRS, but I know we are up to the task of getting these letters and payments into the hands of taxpayers within the required timeframe and a great deal of preparation and planning has already been done. Thank you for your help.